



Photo : D.Simon. Agence Française de Développement.

In Madagascar, long-term support from donors has contributed to a framework for sustainable development

The shrimp sector in Madagascar applies the principles of aid effectiveness and corporate social and environmental responsibility to the pursuit of sustainable development, involving both the public and private sectors. In 2001, AFD and the French Global Environment Fund (FGEF) provided a €7.6 million subsidy to promote joint management of the sector.

The programme in a nutshell

In Madagascar, the shrimp sector is co-managed by private sector operators, which have formed the Shrimp Farmers' and Fishermen's Group of Madagascar (GAPCM), and the central government, which has established a system of institutions and incentives to ensure sustainable management of shrimp resources. The institutions include:

- the Malagasy Fisheries and Aquaculture Agency, which is responsible for overall co-management of the sector,
- the Fisheries Monitoring Centre, which works to preserve fish stocks through a licensing system,
- the Economic Observatory of Shrimp Fisheries, a joint public-private organisation producing sector analyses, with the right to obtain information from enterprises,
- the Fishing Resources Sanitary Agency, which controls the quality of output and exports.

Despite the current difficulties stemming from the poor international economic climate, in 30 years the sector has become the country's leading source of foreign exchange and a major source of tax revenue and jobs.

In the early 1990s, shrimp fishing in Madagascar, conducted without effective rules or controls, was endangering shrimp stocks. Fraud was widespread and tax revenue low.

Over a thirty-year period, with support from the International Finance Corporation, the European Union and France, Madagascar (government and private sector together) has developed the shrimp sector into one of the country's leading sources of foreign exchange (10% of the national total). The industry, which developed shrimp fishing and subsequently shrimp farming, now generates substantial tax revenue and employment (8,800 people directly employed and nearly 40,000 indirectly) within the framework of a structured partnership between operators and the state.

Ownership

Export development is one of the pillars of Madagascar Naturellement, the country's poverty reduction strategy. In 1995, the Ministry of Agriculture and Fisheries fostered the creation of a trade association, the Shrimp Fishing Boat Owners' Group of Madagascar (GAPCM), subsequently renamed the Shrimp Farmers' and Fishermen's Group of Madagascar (same acronym).

The growing importance of the trade organisation has encouraged dialogue, both among the firms in the sector and between them and the state, and created a favourable context for foreign investment in shrimp farming. These developments have helped to enhance local responsibility for the sector, and today they are the keys to dealing with the crisis that threatens its financial balance and sustainability.

In December 2007, the dialogue led to a governmental order establishing the institutional framework for the sector.

Conclusion

The Madagascar shrimp sector illustrates the importance of including all players in a sector and the need for long-term financial support to develop sector management capacity. The partnership between the public and private sectors has contributed to a sustainable and responsible development of the shrimp industry.

However, the current crisis (declining stocks, falling shrimp prices, rising fuel prices) poses considerable challenges:

- to diversify output and increase value added,
- pursue the dialogue on responsible harvesting of shrimp stocks,
- build administrative capacity,
- deepen the dialogue between the government and GAPCM to enhance competitiveness and find a way out of the crisis.

Alignment

The Malagasy Fisheries and Aquaculture Agency (AMPA), which manages most budgetary allocations to the sector, uses the national public accounting system. However, the resulting red tape does slow AMPA's operations. The state, with support from donors, has taken a lead role, gradually establishing a complete and generally effective institutional environment for the shrimp sector. Some parts of the system need further improvement, however; for example, the GAPCM is in need of capacity building.

Donors' continuous support over the last 15 years has provided the required predictability, despite the political upheavals of the period.

Harmonisation

The AMPA, which handles overall coordination of the sector and manages its financing – i.e. the transfers from the central government (notably licensing fees) provided for in the budget act – has an important role as a framework that ensures the coherence of sector management and financing. The framework is not complete, however, since external resources, including those from AFD, are paid directly to the GAPCM. Further consideration should be given to a programme approach.

Managing for results

The aim of optimal (in terms of incomes) and sustainable (in terms of fish stocks) harvesting of shrimp is pursued through dialogue between the state and the private sector and through the establishment of an effective system for monitoring the fishing effort (the Fisheries Monitoring Centre). The data provided by the Economic Observatory allow continuous monitoring of the sector.

Mutual accountability

All parties have committed to a transparent process by creating the Economic Observatory, a joint public-private body producing detailed economic analyses of the sector with the right to demand that firms disclose information. The availability of this information is the basis for mutual accountability, particularly between operators, the central government and the financial partners.